



# The Retirement Chronicles

A quarterly publication of the Kern County Employees' Retirement Association

News & Views

January 2017

## Disability Retirement Q&A

As an active member, if you become permanently incapacitated from performing your job, you may be eligible for a disability retirement from KCERA. KCERA's disability application and review process differs from other disability processes in terms of legal standards, rules of procedure and medical determinations. To help prevent misunderstandings, several common questions about KCERA's disability application process are answered below.

### Before Filing Your Application

#### **What is "permanent incapacitation"?**

Permanent incapacitation is the substantial physical or mental inability to perform the usual and customary duties of your job on a permanent basis. This does not necessarily mean the inability to perform *every* job duty or *every* item in your job description.

#### **When should I file my disability retirement application?**

A disability retirement application generally must be filed 1) while you are still receiving compensation from your KCERA employer, 2) within four months after you have stopped receiving compensation from your KCERA employer, or 3) with proof that you have been continuously incapacitated from your duties from the time you last received compensation to the time you file your application. You could apply as soon as your

doctor deems you to be incapacitated by the injury/condition that prevents you from performing your usual duties. Please discuss restrictions and accommodations with your department before applying.

#### **Must I file a separate disability application with KCERA if I have filed a claim with another agency?**

Yes, KCERA requires a completed application before considering your claim. KCERA is *unrelated* to Workers' Compensation and Social Security; each has its own application rules, processes and governing laws.

#### **How will my department be involved?**

Your department must complete and return any forms required by KCERA to evaluate your job duties. Also, if your department can accommodate your permanent restrictions, you will *not* be considered permanently incapacitated from your job duties.

#### **What are the steps to file a disability application?**

You must complete the forms contained in KCERA's Disability Retirement Application Handbook, except for the Attending Physician Report (APR), which should be completed by your doctor and returned to you. All application forms and the APR must be submitted to KCERA at the same time.

### After Filing Your Application

#### **Who will review my disability application?**

KCERA's Staff Disability Application Group (SDAG) will review your application, all collected records and, if applicable, a medical advisor's report. The SDAG will make a recommendation to the Board of Retirement to grant or deny your application.

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# Employee Retirement Contributions: Yours to Keep?

Employee retirement contributions are deducted pre-tax from your biweekly pay and credited to your KCERA account. Your actual contribution amount depends on your pensionable earnings each pay period and your assigned contribution rate.

Over time, your contribution balance increases as you make biweekly deposits and as KCERA posts interest to your account semiannually based on its investment returns. If you have a long county or district career, you could retire with a substantial “nest egg” at KCERA. But are these funds yours to keep?

Yes and no.

**Yes:** Throughout your career, your accumulated contributions and interest belong entirely to you. They are immediately vested, which means you can withdraw every dollar if you terminate employment before retiring.

**No:** When you retire, KCERA “absorbs” your accumulated contributions and interest. Your balance combines with the significant contributions made by your employer during your career. These aggregated funds pay for the retirement benefits of you and your beneficiary(ies).

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**At retirement, your funds will be pooled with other KCERA funds to pay for your lifetime benefits.**  
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In other words, your contribution balance is yours *prior to retiring*. At retirement, your funds will be pooled with other KCERA funds and used to pay for your lifetime retirement benefits. Therefore, when you retire, KCERA will not issue a lump-sum payment of your contributions.

# Welcome 2017 Trustees

This month, KCERA welcomed one new trustee and two incumbents to represent general and retired members on the Board of Retirement. Serving a three-year term that began on January 1, 2017, the trustees will join the eleven-member board in overseeing KCERA’s \$3.6 billion fund.



**Bob Jefferson** was reelected by general members to the board’s Third Member seat, which he has filled since 2014. He also served as the board’s Second Member from 2008 to 2010. Mr. Jefferson is a senior traffic signal technician with the Public Works Department.



**Phil Franey** was appointed in lieu of an election to the Eighth Member seat. Mr. Franey served for many years as the Kern County Treasurer-Tax Collector as well as the board’s *ex-officio* member. After retiring in 2007, he filled the Alternate Eighth Member seat until 2014, when he ran unopposed to become the Eighth Member. In 2016, he also served as board chairman.



**John Mattly** was appointed by the board in lieu of an election to serve as the Alternate Eighth Member, representing retired members. Mr. Mattly retired from the Treasurer-Tax Collector’s Office in 2014 as its chief investment officer.

The Board of Supervisors appointed **Marko Horvat** and reappointed **Dustin Dodgin** to serve on the Board of Retirement as its Ninth Member and Fifth Member, respectively.

Congratulations to all incoming trustees! KCERA also offers its sincere thanks to departing trustees **Michael Turnipseed** and **John DeMario** for their years of dedicated service.





## Member Portal Nearing LAUNCH!

After a year of rules-setting, configuration, systems integration and thorough testing, KCERA is nearing the launch of its Member Portal! The KCERA portal is a convenient, password-protected gateway for you to access your retirement account information.

Retirees will be able to view their monthly remittances whenever they like. Active members will be able to run benefit estimates with the same data and technology used by KCERA staff. All members will be able to view their personal account information—and more!

To register for a Member Portal account, you must have a few things:

- An up-to-date email address on file
- A 5- or 6-digit code known as a “Member key” (Mkey)
- Access to the Internet and your email account

For retired and deferred members who have not supplied a current email address to KCERA, please submit a *Change Request Form*, which is available in the KCERA office and at [www.kcera.org](http://www.kcera.org). Active members should already have an email address on file.

Your “Mkey” will be provided in a letter that will be mailed in the spring. Follow the instructions provided to complete the registration process.

**Watch for the KCERA letter in the mail. When it arrives, sign up for the Member Portal right away. You'll be glad you did!**

## Reminders



### Board Meetings

Feb. 8 Mar. 8 Apr. 12

### Member Portal Launch

Spring 2017

### Annual Benefit Statements

Mailed to Members

February

# Retiree News

## FORM 1099-Rs COMING

KCERA will mail Form 1099-Rs to retirees at the end of January. This is an important tax document that provides information about your distribution and federal and state income taxes withheld from

your monthly KCERA benefit. Please keep this form with other important tax documents. If your entire KCERA benefit was *not* subject to income tax, you will *not* receive a Form 1099-R.

# DISABILITY RETIREMENT

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## What happens if the SDAG recommends denying my disability application?

You will have 30 days to request a full evidentiary hearing before a hearing officer. The hearing officer will have 180 days to complete the hearing before making a recommendation to the Board.

## How will I know the status of my disability application?

KCERA will provide a verbal or written update at every major stage of the process, or at least every 90 days.

## How long does the application process take?

It depends on several factors. Even simple cases can take a year or more, and more complex cases can take three years or more. The average is approximately two years for KCERA to make an initial recommendation to the Board of Retirement.

## Can I retire for service while awaiting the Board's decision?

Yes, if you are eligible.

## After Your Application is Decided

### If my application is denied, can I appeal the Board's decision?

Yes, you may petition the Kern County Superior Court for a review of the Board's decision.

### If my application is granted, when will I receive my first payment?

KCERA will perform the necessary benefit calculations and place you on retiree payroll as soon as possible. Your first benefit payment should be issued 4-6 weeks after your matter is final.

### If my application is granted, can I later return to employment?

Yes, but only if your new job duties do not violate the permanent restrictions related to your claimed disability.

KCERA administers its disability application process pursuant to the *Rules of Procedure for Disability Retirement*, accessible at [www.kcera.org](http://www.kcera.org). Because the Rules are complex, please do not consult your co-workers to understand the disability process. Receiving inaccurate information could jeopardize your application. Instead, please call KCERA at (661) 381-7700 to speak with a disability service representative.

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Retirement Association

Kern County Employees

PRAUDENT INVESTMENT • QUALITY SERVICE

**KCERA**